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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
Room 222
1919 M Street, N.W.
Washington, D.C.   20554

        Re: <u>CC Docket No. 92-77 – Billed Party Preference</u>

Dear Mr. Caton:

        Sprint Corporation wishes to elaborate on the discussion in its August 1, 1994 Comments and September 14, 1994 Reply Comments regarding the question of whether OSS7 needs to be deployed to end offices,[1] and the cost implications of such deployment for Sprint's local exchange subsidiaries.

        The principal argument for deploying OSS7 signaling to the end-office level is to reduce call setup time.[2] Deployment of OSS7 to the end-office level would decrease the total call setup time by no more than three or four seconds, as compared with using MF or dial pulse signaling from the end office to the operator tandem (or operator services switch) and then OSS7 signaling from the operator tandem to the IXC. However, it cannot be inferred that failure to deploy OSS7 to all end offices will result in an increase in call setup time as compared with the call setup times presently being experienced in a non-BPP environment. A three-to-four second increase, vis-à-vis the status quo, would only occur in cases where SS7 is presently used on direct trunking between the LEC end office and the IXC POP. Where MF signaling is presently used out of the end office, there would no difference in total call setup time using such signaling for BPP.

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[1] Sprint does not dispute the need for OSS7 signaling between the LEC operator tandem switches and the IXCs.

[2] Sprint does not believe OSS7 is necessary for route splitting between 10XXX-0+ and 0+ calls. Such route splitting is an end-office-switch function, rather than a signaling function.

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Furthermore, the Commission should bear in mind that BPP will inherently reduce setup time on calls which are now made using an access code. The most common access code in use today is an 11-digit 800 number.[3] As anyone can verify using a stop watch and telephone dialing pad, it takes approximately three seconds to dial an 11-digit 800 number when one is thoroughly familiar with the number being dialed. If instead the consumer has to look up the access code, or needs to glance at the instructions on a calling card during the dialing process, or must translate a mnemonic code (e.g., 1-800-COLLECT or 1-800-CALLATT) into a numerical code, dialing may take several times longer. Assuming that dial-around calls account for half of away-from-home calls by 1997, and even if, on average, it takes consumers only four seconds to dial an access code, then the maximum four-second increase in call setup time from failure to deploy OSS7 at end offices[4] would be offset 50% or more by the decrease in dialing time that would result from no longer having to use an access code to reach the customer's preferred carrier.

Billed party preference will reduce call setup times on other types of calls as well. In the current environment, consumers hearing the name of an unfamiliar 0+ carrier may decide (and perhaps wisely so) not to accept a collect call or may not complete a calling card call. In such cases, the calling party may attempt to reach a LEC operator for dialing instructions for the customer's preferred carrier. Consumers who find that their preferred OSP's access is blocked from a public phone or can discern that the public phone is presubscribed to an alternative OSP they do not wish to use, may spend time searching for another phone or wait until they reach another location before attempting their call. In any of the above situations, the time needed for the caller to successfully reach the called party can be orders of magnitude greater than the average increase in call setup time from not deploying OSS7 to end offices in a BPP environment. Similarly, the time a consumer spends scanning the signage on a payphone or the tent card placed near a hotel phone to identify the presubscribed carrier must be factored into the

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[3] See, e.g., NYNEX's August 1 Comments (at 4), stating that a study of 459 payphones showed that 1-800 access codes were used nearly three times as often as a 10XXX code, and nine times as often as a 950-XXXX code.

[4] Since not all end offices are SS7-equipped today, the actual average increase in call setup time from using MF signaling from the end office to the operator tandem will in fact be somewhat less.

call setup time that exists today. While it is obviously impossible to estimate the effect of the above-described instances on overall average call setup time, nonetheless the Commission can and should take such situations into account in determining whether the very slight impact deployment of OSS7 to end offices would have on call setup time is worth the substantial additional cost.

Sprint's August 1 Comments (at 39) also noted that MF signaling, unlike OSS7, cannot forward the 1+ PIC as a default in those rare instances when the primary and secondary 0+ PICs cannot be determined at the operator tandem switch. However, Sprint pointed out that in such instances it would be better to default calls to a "live" operator and have the operator determine the calling party's preferred carrier than to default the calling party to the 1+ carrier of the originating line. Default to the 1+ carrier could also have consequences for call setup times in instances where the default carrier is unfamiliar to the party paying for the call and might result in uncompleted or refused calls, all of which increase the total setup time needed for the calling party to reach the called party.

For the reasons described above, Sprint believes that with MF or dial pulse signaling between the end-office and the OSS7 tandem, there will be little, if any, overall increase in call setup time as compared with the current environment. Thus, in order to minimize the deployment cost, Sprint believes the Commission should not require end-office deployment of OSS7 signaling.

Should the Commission disagree, Sprint urges the Commission to limit any required deployment of OSS7 signaling to those end offices where SS7 signaling is already in place. It is only from these offices that failure to deploy OSS7 would cause any increase in call setup time as compared with the status quo. Mandatory deployment of OSS7 signaling to other offices would increase the implementation costs inordinately. This can be demonstrated by the data shown on the table following page 27 of Sprint's August 1 Comments. As shown therein, Sprint's local exchange carriers have 243 end offices -- which account for 82% of their total access lines -- already equipped with SS7 signaling or expected to be so equipped by 1997. Adding OSS7 to those end offices would result in one-time costs of $10.7 million. Sprint has an additional 122 end offices that are digital but not SS7-equipped. Upgrading those offices to include SS7 and OSS7 capability would cost an additional $58 million. In addition, there are 424 end offices (many of which will be remotes) that

utilize analog switches today. Accelerated conversion of
those end offices to digital switch capability and fully
equipping those end offices with SS7 and OSS7 signaling would
increase implementation costs by $149.0 million. Thus, more
than 95% of the total cost of deploying OSS7 to the Sprint
LECs' end offices would relate to offices that do not have SS7
today and for which there would be no degradation in call
setup time under BPP.

It is clear from the record that end-office deployment of
OSS7 accounts for a substantial portion of the implementation
costs of other local exchange carriers as well. As Sprint
noted in its Reply Comments (at 30), over 90% of the costs
projected by USTA for BPP implementation by small independent
LECs relates to end-office OSS7 functionality. In addition,
according to their initial comments, such costs amount to
$97.5 million for GTE, $48.5 million for NYNEX, and $71.1
million for Southwestern Bell. Other carriers do not
specifically break out their end-office (as opposed to
operator tandem) OSS7 costs, and those that do, have not
distinguished between the costs related to deployment of OSS7
at offices where SS7 is already installed, and offices that do
not now have SS7 or even digital capability.

In order for the Commission to better understand the
nature of the costs of deploying OSS7 to end offices, Sprint
urges the staff to ask the RBOCs, GTE, Cincinnati Bell, SNET
and USTA to provide the following information for the record:

1.   What is the total cost of deploying OSS7 to end
offices?

2.   Break down the costs shown in 1., above, among the
following categories of end offices: (a) end offices where SS7
is installed (or is expected to be installed by 1997); (b)
digital offices where SS7 is not yet installed; and (c) analog
end offices.

3.   Identify what percentage of total access lines is
served by the end offices specified in 2(a), above.

4.   Explain the basis for, and assumptions underlying,
the OSS7 cost estimates.

This more detailed breakdown of OSS7 end office implementation
costs should greatly facilitate the Commission's ability to
evaluate the various possible resolutions of this issue.

In short, Sprint believes there is no real need to deploy OSS7 to any end offices, but if the Commission deems otherwise, it should confine such mandatory deployment only to those end offices that are SS7-equipped.

An original and one copy of this letter are being filed.

Respectfully,

H. Richard Juhnke
General Attorney

c: Gary Phillips
      Mark Nadel